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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 9, 2016

Sam Smith
Utah Sand & Gravel LLC
847 West 500 South
West Bountiful, Utah 84087

Subject: Third Review of Notice of Intention to Commence Large Mining Operations and Directive to Respond, Utah Sand & Gravel, North Salt Lake Mine, M/035/0051, Utah County, Utah

Dear Mr. Smith:

The Division of Oil, Gas and Mining has reviewed the referenced Notice of Intention to Commence Large Mining Operations (NOI) which was received July 15, 2016. The attached comments will need to be addressed before tentative approval may be granted.

Please submit your response to this review by October 11, 2016.

The Division will suspend further review of the NOI until receiving your response to this review. Please contact the lead for this project Leslie Hepler, at 801-538-5257 or me at 801-538-5261 if you have questions about the review or if you would like to schedule a meeting to discuss the comments. Thank you for your cooperation in completing this permitting action.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB: lah: eb

Attachment: Review

cc: lynn.pace@slcgov.com, wayne.mills@slcgov.com, jasisson@slco.org

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**THIRD REVIEW OF NOTICE OF INTENTION
TO COMMENCE LARGE MINING OPERATIONS**

**Utah Sand & Gravel LLC
North Salt Lake Notice of Intention to Commence Large Mining Operations
M/035/0051
September 7, 2016**

R647-4-106 - Operation Plan

106.2 - Type of operations conducted, mining method, processing etc.

| Comment # | Sheet/Page/Map/Table # | Comments | Initials | Review Action |
|-----------|------------------------|---|----------|---------------|
| 1 | Section 106.2, page 10 | The section discussing asphalt and concrete recycling mentions that additives may be used. Please specify what additives might be stored on site. Please include material safety data sheets. The Division's concern is whether any of these materials might be classified as deleterious materials. If so, the NOI will need to include plans and a cost estimate for disposing of these materials in accordance with rules R647-4-110.4 and R647-4-111.4. | pbb | |

R647-4-110 - Reclamation Plan

R647-4-113 – Surety – Review is not finished for section 113

| Comment # | Sheet/Page/Map/Table # | Comments | Initials | Review Action |
|-----------|------------------------|--|----------|---------------|
| 2 | Page 21 | The Division recommends that the operator use the bonding forms provided by the Division. | lah | |
| 3 | | The Division is unable to verify the unit costs in the bond calculations. The foreman's was listed as \$76.35/hour which is consistent with labor rates in Means 2014. However, the wage rate for a truck driver was listed as \$43.20/hour while Means 2014 was Trhv \$57.30 – equipment operator was listed as \$51.10/hour while Means 2014 Eqmd was \$74.15/hour. | | |
| 4 | | The NOI says equipment costs were from Blue Book. The Division was unable to verify the unit costs. For example a 3,500-gallon water truck has an hourly operating cost of \$34.20/hour, but the Division was unable to find a 3,500-gallon water truck in 2014, 2015 or 2016 with that unit cost. The hourly cost for the 3,500-gallon water truck was listed as \$20.00/hour, but the Division was not able to find an hourly operating cost in Blue Book for 2014, 2015 or 2016 for that amount. In addition the operator should state whether the rate is based on monthly, weekly, daily or hourly rates. | whw | |
| 5 | | Please list the Means reference numbers. Removal of the equipment is listed as \$0.37 (assume per cubic foot). | whw | |

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M/035/0051
September 9, 2016

| Comment # | Sheet/Page/Map/Table # | Comments | Initials | Review Action |
|-----------|------------------------|--|----------|---------------|
| 6 | | In Section R647-4-110.1 the NOI says the site will be reclaimed to an industrial use of material recycling plant. What are the specifications for the post-mining land use? For example, what material will be used to cover the floor? What facilities will be left? | whw | |
| 7 | | In Section R647-4-110.2 the NOI says how highwalls will be reclaimed. However, there does not appear to be a line item for highwall reclamation. The Division has to assume that under a bond forfeiture scenario some highwall reclamation would be required. Please include cost for highwall reclamation. | whw | |
| 8 | | In Section R647-4-110.4, please include line items for disposal for potentially hazardous materials. Such materials include but not limited to petroleum products and waste oil. | whw | |
| 9 | | Please use 2016 unit costs. The Division will provide 2016 unit costs if needed. | whw | |
| 10 | | Please include detailed productivity calculations for equipment. | whw | |